

BEFORE THE DIRECTOR  
OF THE  
OFFICE OF CAMPAIGN FINANCE  
D. C. BOARD OF ELECTIONS AND ETHICS  
2000 14TH STREET, N. W., SUITE 420  
WASHINGTON, D. C. 20009  
(202) 671-0550

IN THE MATTER OF

**Anthony A. Williams**  
**Mayor**

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DATE: June 16, 2000

DOCKET NO.: MUR 00-01

**ORDER**

**Statement of the Matter**

Upon inquiry of the Office of Campaign Finance (OCF), it is alleged, pursuant to the District of Columbia Campaign Finance Reform and Conflict of Interest Act of 1974, as amended, D. C. Code §§1-1401 et seq. (the Act) that Anthony A. Williams failed to modify his financial disclosure statement (FDS), dated July 17, 1998 for calendar year 1998 at Question Number 2 (Question No. 2), within 30 days of any changes in information, thereto, to list (1) Arthur Andersen, L.L.P. and (2) NationsBank Inc., as business entities transacting business with the District of Columbia from which he received income for services rendered in excess of \$1,000. See D. C. Code §1-1462(a).

**Issue**

Whether Anthony A. Williams failed to timely modify his FDS of July 17, 1998, which disclosed financial interest for 1998 when he was a candidate for the office of mayor, to reflect income received from NationsBank and Arthur Andersen, also in 1998, pursuant to his May 4, 1998 FDS filing?

**Background**

On April 28, 1999, Anthony A. Williams, Mayor of the District of Columbia, (Mr. Williams) executed his FDS in his capacity as Mayor, for calendar year 1998. Pursuant to the Act candidates for office and all elected officials, except for the office of Advisory Neighborhood Commissioner (ANC) and specified public officials are required to disclose financial interest on an FDS form. Each elected and specified public official must submit a yearly FDS not later than May 15<sup>th</sup> for the prior calendar year.

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Mr. Williams' FDS was timely received by the Public Information and Records Management (PIRM) Division of the Office of Campaign Finance (OCF) on May 4, 1999.<sup>1</sup> In accordance with OCF operating procedures, PIRM noted certain disclosures thereon and referred the file to the OCF Office of the General Counsel.

Specifically, Mr. Williams responded "n/a" to each question except Question No. 2. Question No. 2 read: "Please provide the following information with respect to each business entity transacting any business with the District Government (including sole proprietorships, partnerships and corporations) from which you (or your spouse, if such income is joint) have received income in the calendar year 1998 for services rendered in excess of \$1,000." In response thereto, Mr. Williams listed "Nationsbank; Arthur Andersen."

Upon evaluation of the file, OGC noted that Mr. Williams' previous FDS filing also disclosed financial interest for 1998. On July 17, 1998, Anthony A. Williams, then candidate for the office of Mayor, as of June 10, 1998, and former District of Columbia Chief Financial Officer, from October 27, 1995 until June 8, 1998, executed his FDS, as statutorily required, and responded "n/a" to each question.

Because the FDS is the tool by which OCF is able to bring to the attention of a public official any assets or financial relationships that present or possibly could present a conflict of interest, it was determined that the disclosures listed in Mr. Williams' May 4, 1999 FDS for calendar year 1998, when compared with the lack of disclosure thereof in his July 17, 1998 FDS for the same year, required clarification. A letter was dispatched on May 19, 1999, requesting additional information regarding the disclosures.

Mr. Williams responded on May 28, 1999, with a sworn statement and copies of contracts and invoices. Based upon an examination of the submissions, OGC determined that it was necessary to elicit from Mr. Williams the reasons, if any, for the late disclosure specified herein; to question him about the time of negotiations for the contracts and the nature of his duties with the companies, and to obtain supporting documentation of the invoices presented; and to query as to whether there may be other items of which he heretofore failed to disclose on his FDS.

By Notice of Hearing, Statement of Violations, Order of Appearance dated June 4, 1999, OCF ordered Mr. Williams to appear on June 16, 1999 for a hearing on the charge that he violated D. C. Code §1-1462(a). On the specified date, Mr. Williams appeared with his

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<sup>1</sup> Each elected and public official is required to annually file the FDS on May 15<sup>th</sup>. This year, the date was on a Saturday. Therefore, the filing date was May 17, 1999.

counsel, Bob Krasne, Esq. and Meg Keely, Esq., of Williams and Connolly in Washington, D. C. Also present were OCF staff: Jean Scott Diggs, Chief of Staff, William Sanford, Staff Attorney, S. Wesley Williams, III, Investigator, and the General Counsel, who acted as examiner during the informal hearing.

**Relevant Regulatory Provisions**

D. C. Code §1-1462 states, in part: "Information supplied pursuant to this subsection shall be modified by the filer within 30 days of any changes therein, and failure to inform the Board of such modifications is deemed to be a willful violation of this filing requirement."

D. C. Code §1-1435(b) states, in part:

"(1) Any person who violates any provision of this chapter. . . may be assessed a civil penalty by the District of Columbia Board of Elections and Ethics under paragraph (2) of this subsection of not more than \$50 for each such violation. Each occurrence of a violation of this chapter and each of noncompliance with a disclosure requirement of this chapter or an order of the Board shall constitute a separate offense.

"(2) A civil penalty shall be assessed by the Board by order only after the person charged with a violation has been given an opportunity for a hearing, and the Board has determined, by decision incorporating its findings of facts therein, that a violation did occur, and the amount of the penalty. Any hearing under this section shall be of record and shall be held in accordance with the District of Columbia Administrative Procedure Act [at D. C. Code §1-1501 et seq.].

"(3) notwithstanding the provisions of paragraph (2) of this subsection, the Board may issue a schedule of fines for violations of this chapter, which may be imposed ministerially by the Director. A civil penalty imposed under the authority of this paragraph may be reviewed by the Board in accordance with the provisions of paragraph (2) of this subsection. The aggregate set of penalties imposed under the authority of this paragraph may not exceed \$500."

D. C. Code §1-1432(a)(1) states, in part: "The Director, under regulations of general applicability approved by the Board, shall have the power: (A) [t]o require any person to submit in writing such reports and answers to questions as the Director may prescribe relating to the administration and enforcement of this chapter [. . . and] (D) [i]n any proceeding or investigation to order testimony to be taken by deposition before any person who is designated by the Director and has the power to administer oaths and, in

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such instances, to compel testimony and the production of evidence in the same manner as authorized under subparagraph ( C ) of this paragraph[.]”

At 3 D.C.M.R. §3709.1, it reads: “The Director may institute or conduct an informal hearing on alleged violations of the reporting and disclosure requirements, prescribed by the Act and Chapters 30-37 of this title.”

At 3 D.C.M.R. §3709.12, it reads: “Any party adversely affected by any order of the Director may obtain review of the order by filing, with the Board of Elections and Ethics, a request for a hearing de novo.”

At 3 D.C.M.R. §3711.1, it reads, in part: “Upon a determination, under. . .§3709, that a violation has occurred, the Director may ministerially impose fines upon the offending party.”

At 3 D.C.M.R. §3711.2, it reads, in part: “Fines shall be imposed as follows:. . .(bb) [f]ailure to disclose required information on reports and statements [-] \$30 per day[.]”

At 3 D.C.M.R. §3711, it reads, as follows:

“3711.3        The aggregate of the penalties imposed under the Director’s authority, under §3711.2, may not exceed five hundred dollars (\$500) for each violation.

“3711.4        In calculating the time period for delinquencies, Saturdays, Sundays, and holidays shall not be included.

“3711.5        Any fine imposed by the Director, under §3711.2, shall become effective on the sixteenth (16<sup>th</sup>) day following the issuance of a decision and order; Provided, that, the respondent does not request a hearing under §3709.12.”

### **Summary of Evidence**

OCF relied upon the following: FDS of Anthony Allen Williams, Chief Financial Officer, received on May 7, 1998 [Exhibit (Exh.) A]; FDS of Anthony A. Williams, Candidate, received on July 17, 1998 (Exh. B); FDS, and Addendum, of Anthony A. Williams, Mayor, received on May 4, 1999 (Exh. C); letter dated May 19, 1999, from OCF to The Honorable Anthony A. Williams, Mayor (Exh. D), Notarized response, dated May 28, 1999 from Anthony A. Williams (Exh. E); Notice of Hearing, Statement of Violations and Order of Appearance dated June 4, 1999 (Exh. F); and Transcript of June 16, 1999 informal hearing (Exh. G), with attachments, where Mr. Williams testified and presented documents under oath.

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The attachments to Exh. G includes Andersen Agreement, July 31, 1998 (Exh. OCF-1),

Nationsbank Agreement, July 31, 1998 (Exh. OCF-2), correspondence dated from May 17, 1999 through May 26, 1999 between The Honorable Kathy Patterson, Councilmember, Ward 3, Washington, D. C. and Dr. Abdusalam Omer, Chief of Staff, Office of the Mayor (Exh. OCF-3). OCF also relied upon the following, which was submitted by counsel to Mr. Williams and appended to Exh. G: typed statement by Mr. Williams (Statement); letter dated June 15, 1999, to Robert M. Krasne, Esq., Williams & Connolly, from Michael A. Nemeroff, Sidley & Austin, Washington, D. C. (W-A-01 through -02); page from appointment book, "to August 2[, 1998]," (W-A-03); letter dated August 24, 1998, to Mr. Anthony Williams, from Ira Goldstein, Arthur Andersen LLP (W-A-04); Participant Feedback Form regarding Course Evaluation Results of Senior School 1998: Day 3 on Tony Williams (W-A-05); Arthur Andersen publication of "Roundtable Highlights" highlighting Best Practices Initiative in Washington, D. C., October 16, 1998 (W-A-06 through -07); letter dated October 9, 1998, to Anthony Williams from Richard A. Patrick (W-A-08); synopsis of CEO Roundtable on Global Best Practices Initiative at the Mayflower Hotel in Washington, D. C. on October 16, 1998 (W-A-09 through 10); agenda of October 16, 1998 CEO Roundtable (W-A-11); note to "Bill" to pick up Tony Williams for annual meeting at International Trade Center (W-A-12); article dated May 29, 1999 from the Washington Post, "Williams Says Sorry for Late Job Disclosure," by Yolanda Woodlee (W-A-13 through -15); invoice for check for \$30,000 disbursed to Anthony Williams on August 31, 1998 (W-A-16); transmittal letters and copies of 2 check stubs, from NationsBank, Inc., dated from September 9, 1998 through January 4, 1999 (W-N-01 through -07); e-mail confirmations of meeting at NationsBank with Tony Williams on November 10, 1998 (W-N-08 through -10); copies of Agriculture Federal Credit Union deposit slips, dated from November 30, 1998 through January 31, 1999 (W-P-01 through -04); and Stipulation (Stipulation), signed by Robert M. Krasne, on June 16, 1999.

### **Findings of Fact**

Based upon my review and consideration of the record, and the allegation herein, and in reliance upon the evidence indicated, I find:

1. From October 27, 1995 through June 8, 1998, Anthony A. Williams served as Chief Financial Officer (CFO) for the District of Columbia. Exhs. A-B.
2. On May 1, 1998, Mr. Williams executed an FDS in his status as CFO for calendar year 1997. Exh. A.

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3. During Mr. Williams' tenure as CFO, contracts representing a significant amount of work were awarded to the Arthur Andersen Company (AAC) through the authority of

the Financial Control Board, and upon approval by the District of Columbia City Council. Exh. G at 17-18.

4. After his resignation as CFO on June 8, 1998, Mr. Williams assisted AAC through July 31, 1998 with its worldwide government service consulting; and, also during this period, negotiated a personal service contract as an independent contractor, providing consulting services. Exh. E; Exh. G at 11-12, 15-17, & 18.
5. On July 1, 1998, Mr. Williams met with AAC senior staff to discuss municipal techniques of jurisdictions outside of the District of Columbia. Exh. G at 11-12, 15-16 & 24-25. Exh. OCF-1.
6. On July 31, 1998, Mr. Williams and AAC executed the Agreement to enter into a contract, effective as of July 1, 1998, and scheduled to terminate on December 31, 1998. Exh. G at 22; Exh. OCF-1.
7. Mr. Williams agreed to serve as an independent contractor providing consultant services AAC in the development of a package to expand AAC's government consulting by assisting in the implementation of initial strategic planning procedures and policies for municipal financial reform programs, which could potentially be delivered in large cities such as Detroit, Michigan or Miami, Florida; represent AAC by giving speeches, workshops at professional conferences; participate in proposal efforts as requested; and participate in delivery of services to clients as part of AAC engagement teams. Id.
8. None of Mr. Williams' services to AAC involved AAC's relationship with the District of Columbia. Exh. G at 11.
9. On July 17, 1998, Mr. Williams executed an FDS in his status as Candidate for Mayor of the District of Columbia. Exh. B.
10. In answer to Question No. 2 on the July 17, 1998 FDS, Mr. Williams responded "N/A." Id.
11. On July 17, 1998, Mr. Williams had not received income for services rendered in excess of \$1,000. W-A-16.
12. From July 25-26, 1998, Mr. Williams reviewed and critiqued AAC's 21<sup>st</sup> Century Governance Paper (Paper). Exh. G at 30-31; Exh. OCF-1.

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13. On July 31, 1998, Mr. Williams discussed the Paper with Ira Goldstein and other AAC senior staff at the AAC offices in Washington, D. C. Exh. G at 31; W-A-03.

14. Also on July 31, 1998, Mr. Williams signed the AAC agreement. Exh. OCF-1.
15. On August 13, 1998, Mr. Williams participated in a presentation and a workshop on customer service for AAC senior staff at Gallaudet College's Kellogg Center in Washington, D. C. Exh. G at 32-33; W-A-04 through -05.
16. On August 31, 1998, Mr. Williams received a check dated July 31, 1998, for \$30,000 for compensation for his services under the AAC contract. W-A-16.
17. Mr. Williams did not amend his FDS within 30 days after receipt of the AAC check for \$30,000.
18. Mr. Williams did not cash the AAC check until he had performed all of the services required by his contract. Exh. G at 46; W-P-02.
19. On October 7, 1998, Mr. Williams met with John Green of Medlantic regarding bond financing. Exh. G at 33; Exh. OCF-1; W-A-14.
20. On October 16, 1998, Mr. Williams participated in a CEO Roundtable sponsored by Fortune magazine. Exh. G at 33-34; Exh. OCF-1; W-A-06 through -11.
21. On October 20, 1998, Mr. Williams prepared for a speech that he subsequently delivered on October 22, 1998, before the AAC, at its annual meeting. Exh. G at 34; Exh. OCF-1; W-A-12.
22. On December 15, 1998, Mr. Williams discussed state and municipal government best practices telephonically with Ira Goldstein. Exh. G at 35-36; Exh. OCF-1.
23. On December 24, 1998, Mr. Williams discussed state and local government service delivery in a meeting with Ira Goldstein. Id.
24. On December 21, 1998, Mr. Williams deposited his AAC check of \$30,000 into his family account at Agriculture Federal Credit Union in Washington, D. C. W-P-02.
25. During his tenure as CFO, Mr. Williams did not award nor execute any contracts with NationsBank, Inc. Exh. G at 37.

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26. After his resignation as CFO on June 8, 1998, Mr. Williams negotiated a personal service contract as a consultant to NationsBank, Inc., before August 3, 1998. Exh. G at 36-39; Exh. OCF-2.

27. On August 6, 1998, Mr. Williams and NationsBank, Inc. executed the Agreement to enter into a contract, effective as of August 3, 1998, and scheduled to terminate on December 31, 1998. Exh. G at 38; Exh. OCF-2.
28. Mr. Williams' was retained by NationsBank, Inc. to provide them with his global view and advice on community development planning, financing, and building in state and local municipalities. Id.
29. Mr. Williams, when needed by NationsBank, Inc., primarily consulted with a senior official. Exh. G at 41.
30. Mr. Williams attended a November 10, 1998 meeting with NationsBank, Inc. senior staff. Id.; W-N-08 through 10.
31. None of Mr. Williams' services to NationsBank, Inc. involved NationsBank, Inc.'s relationship with the District of Columbia. Exh. G at 11.
32. On September 9, 1998, Mr. Williams received his first check for \$2,000 from NationsBank, Inc., for the previous month. W-N-01.
33. Mr. Williams did not amend his FDS within 30 days after receipt of the NationsBank, Inc. check for \$2,000.
34. Mr. Williams continued to receive a monthly check for \$2,000 from NationsBank, Inc. through January 4, 1999. W-N-02 through W-N-07.
35. Sometime between November 1, 1998 and January 31, 1999, Mr. Williams deposited his NationsBank, Inc. checks into his family account at Agriculture Federal Credit Union in Washington, D. C. W-P-02.
36. Mr. Williams did not represent AAC or NationsBank, Inc. before the District of Columbia government while he served as an independent contractor for either business during the affected periods. Exh. G at 44.

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37. Since his term of office as Mayor began, Mr. Williams has not personally taken any official action regarding AAC or NationsBank, Inc. Exh. G at 45-49.
38. Mr. Williams was aware of his obligation to disclose on his FDS information regarding his relationships with both AAC and NationsBank, Inc. within 30 days after



he received income from each company. Exh. G at 22-23 & 43-44.

39. Mr. Williams's failure to timely update his FDS was not deliberate, but due to his oversight inasmuch as the modification was required "...during the whirlwind of his mayoral campaign." Exh. G at 11 & 58-59.
40. Mr. Williams voluntarily disclosed his financial relationships with both AAC and NationsBank, Inc. on his FDS for calendar year 1998 received by OCF on May 4, 1999. Exh. C.

### **Conclusions of Law**

Based upon the record and evidence, I therefore conclude:

1. Mr. Williams' performed services for both AAC and NationsBank, Inc., for which he was paid, between July 1, 1998 and December 31, 1998, pursuant to binding contracts.
2. Mr. Williams violated the reporting requirement when he failed to amend on or before September 30, 1998, his July 17, 1998 FDS, within 30 days of his receipt of income from AAC, to reflect his financial relationship with said company.
3. Mr. Williams violated the reporting requirement when he failed to amend on or before October 9, 1998, his July 17, 1998 FDS, within 30 days of his receipt of income from NationsBank, Inc., to reflect his financial relationship with said company.
4. The penalty established at 3 D.C.M.R. §3711.2(bb) prescribes that the failure to disclose required information on a statement shall be set at \$30 per day.
5. Mr. Williams was at least 7 months late in disclosing his receipt of income from AAC; and he was at least 6 months late in disclosing his receipt of income from NationsBank, Inc.

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6. In accordance with 3 D.C.M.R. §§3711.3 through 3711.4, Mr. Williams should be fined \$500 for failure to timely modify his FDS to disclose income from AAC; and \$500 for failure to timely modify his FDS to disclose income from NationsBank, Inc.

### **Recommendation**

I hereby recommend the Director impose a fine of \$1,000 against Anthony A. Williams.

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Date

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Kathy S. Williams  
General Counsel

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**ORDER OF THE DIRECTOR**

IT IS ORDERED that a fine of \$1,000 be imposed against Anthony A. Williams for violation of the statutory requirement, pursuant to D. C. Code §1-1462(a), to modify his FDS, within 30 days of receipt of income, respectively, from AAC and NationsBank, Inc.

This Order may be appealed to the Board of Elections and Ethics within 15 days from

issuance.

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Date

Cecily E. Collier-Montgomery  
Director

Parties Served:

Robert M. Krasne, Esq.  
Margaret A. Keely, Esq.  
Williams & Connolly  
725 12<sup>th</sup> Street, N. W.  
Washington, D. C. 20005

The Honorable Anthony A. Williams  
Mayor  
District of Columbia  
One Judiciary Square  
441 4<sup>th</sup> Street, N. W.  
Washington, D. C. 20001

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SERVICE OF ORDER

This is to certify that I have been served with a true copy of the foregoing Order.

If applicable, please make check or money order payable to the D. C. Treasurer, c/o Office of Campaign Finance, Suite 420, 2000 14th Street, N. W., Washington, D. C., 20009.

